

ANNUITY SAVINGS ACCOUNT ACTIVITY

PERF statutes require interest for the Guaranteed Fund, and a market value increase or decrease for the Money Market, Bond, S&P 500 Stock Index, and U.S. Small Companies Stock Funds to be credited on the last day of each calendar quarter. Crediting is based on the investment directions you choose and the previous quarter balance of your Annuity Savings Account.

Keep in mind, historical returns are not an indicator of future returns. There are important differences among the funds. Each of them has a specific investment objective, and other than the Guaranteed Fund, has certain investment risks. When choosing your investment direction, remember you should take into account your time horizon, risk tolerance and the importance of diversifying your investments.

FUND OPTION

AVERAGE RETURN INFORMATION (After Fees and Expenses)

<u>Guaranteed Fund</u>	Quarter Ended March 31, 2003	-----Annual Interest Crediting Rates-----				
		2003 *	2002	2001	2000	1999
Current Fund Managers: Combined Managers <i>All managers employed by the PERF Board of Trustees share management</i>	1.94 %	8.25 / 7.75%	8.25%	8.25%	8.25%	8.25%

Guaranteed Fund investments include bonds, large capitalization stocks, small capitalization stocks, and other types of diversified investments. However, regardless of the mix of assets, your position in the Guaranteed Fund is based solely on your contributions, plus credited interest. The value of your investment in this fund can never decline, regardless of the actual market value of the investments of the Fund.

* For the Fiscal Year Ending June 30, 2003, the interest-crediting rate for the Guaranteed Fund is being credited based an annual rate of 8.25% for the first quarter and 7.75% for three remaining quarters.

<u>Money Market Fund</u> <i>Inception: July 1, 1986</i>	Quarter Ended March 31, 2003	TRAILING PERIOD		
		1 Year	3 Year	5 Year
Current Fund Manager: National City Investment Mgmt. Co., Inc.	0.29 %	1.57 %	3.62 %	4.21 %

The investment objective of this Fund is to provide a capital preserving investment with a stable rate of return. The investments of this fund are typically high quality securities maturing in less than 90 days. The investment return comes primarily from the rate of interest earned by the securities, and not from a change in their market value.

<u>Bond Fund</u> <i>Inception: July 1, 1986</i>	Quarter Ended March 31, 2003	TRAILING PERIOD		
		1 Year	3 Year	5 Year
Current Fund Manager: Northern Trust Investments, Inc.	1.36 %	11.88 %	9.76 %	7.39 %

The investment objective of this Fund is to replicate the returns of the Lehman Brothers Aggregate Bond Index, a widely accepted proxy for the U.S. bond market. The investment strategy of this Fund is to provide the ability to invest in the U.S. bond market including U.S. Treasuries, Federal Agency Issues, and debt securities of U.S. corporations.

<u>S&P 500 Stock Index Fund</u> <i>Inception: July 1, 1998</i>	Quarter Ended March 31, 2003	TRAILING PERIOD		
		1 Year	3 Year	5 Year
Current Fund Manager: Barclays Global Investors	- 3.17 %	- 24.89 %	- 16.14 %	- 3.89 %

The investment objective of this Fund is to provide the ability to invest in the broad U.S. stock market, i.e. securities listed with the New York Stock Exchange. The investment strategy of this Fund is to duplicate the Standard & Poor's (S&P) 500 Stock Index. The S&P 500 Index contains 500 leading companies, which vary according to their industry classification and size.

<u>U.S. Small Companies Stock Fund</u> <i>Inception: July 1, 1998</i>	Quarter Ended March 31, 2003	TRAILING PERIOD		
		1 Year	3 Year	5 Year
Current Fund Manager: Dimensional Fund Advisors, Inc.	- 7.62 %	- 22.57 %	2.97 %	3.19 %

The investment objective of this Fund is to provide the ability to invest in the stock of smaller U.S. companies. The investment strategy is to select the stock of smaller companies anticipated to have a reasonable expectation to outperform the small company benchmark used by the PERF Board of Trustees. The investment return comes almost exclusively from the change in the market value of the securities because most small companies do not consistently pay dividends

<u>International Equity Index Fund</u> <i>Inception: January 1, 2002</i>	Quarter Ended March 31, 2003	TRAILING PERIOD		
		1 Year	3 Year	5 Year
Current Fund Manager: State Street Global Investors	- 8.57 %	- 23.25%	- 19.62 %	- 7.22 %

The investment objective of this Fund is to provide a broad exposure to foreign equity markets by allowing you to invest companies based outside the United States. This Fund seeks to track the performance of the *Morgan Stanley Capital International Europe Australasia Far East (MSCI EAFE) Index* that measures the investment return of large capitalization common stocks for more than 900 international companies. The fund's performance is driven by three factors: country risk (the chance a particular foreign country's economy will be hurt by political upheaval, financial troubles or a natural disaster); currency risk (the chance that investments in a particular country will decrease in value if the U. S. dollar rises in value against that country's currency); and investment style risk (the chance that returns from foreign stocks will trail returns from other stock markets).

IF YOU HAVE QUESTIONS REGARDING YOUR QUARTERLY MEMBER STATEMENT OF ACCOUNT OR INVESTING YOUR ANNUITY SAVINGS ACCOUNT, PLEASE CONTACT US, TOLL-FREE AT 1-888-526-1687.